

		FOR OHF USE					

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2004
STATE OF ILLINOIS
DEPARTMENT OF PUBLIC AID
FINANCIAL AND STATISTICAL REPORT FOR
LONG-TERM CARE FACILITIES
(FISCAL YEAR 2004)

IMPORTANT NOTICE
 THIS AGENCY IS REQUESTING DISCLOSURE OF INFORMATION
 THAT IS NECESSARY TO ACCOMPLISH THE STATUTORY
 PURPOSE AS OUTLINED IN 210 ILCS 45/3-208. DISCLOSURE
 OF THIS INFORMATION IS MANDATORY. FAILURE TO PROVIDE
 ANY INFORMATION ON OR BEFORE THE DUE DATE WILL
 RESULT IN CESSATION OF PROGRAM PAYMENTS. THIS FORM
 HAS BEEN APPROVED BY THE FORMS MANAGEMENT CENTER.

I. IDPH Facility ID Number: <u>0041285</u>		II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER																
Facility Name: <u>Meadowbrook Manor-Naperville</u>		I have examined the contents of the accompanying report to the State of Illinois, for the period from <u>01/01/04</u> to <u>12/31/04</u> and certify to the best of my knowledge and belief that the said contents are true, accurate and complete statements in accordance with applicable instructions. Declaration of preparer (other than provider) is based on all information of which preparer has any knowledge.																
Address: <u>720 Raymond Drive</u> <u>Naperville</u> <u>60563</u> Number City Zip Code		Intentional misrepresentation or falsification of any information in this cost report may be punishable by fine and/or imprisonment.																
County: <u>DuPage</u>																		
Telephone Number: <u>(630) 355-0220</u> Fax # <u>(630) 717-5180</u>																		
IDPA ID Number: <u>363782227001</u>																		
Date of Initial License for Current Owners: <u>02/09/96</u>																		
Type of Ownership:																		
<input type="checkbox"/> VOLUNTARY, NON-PROFIT																		
<input type="checkbox"/> Charitable Corp.																		
<input type="checkbox"/> Trust																		
IRS Exemption Code _____																		
<input type="checkbox"/> PROPRIETARY																		
<input type="checkbox"/> Individual																		
<input type="checkbox"/> Partnership																		
<input type="checkbox"/> Corporation																		
<input checked="" type="checkbox"/> "Sub-S" Corp.																		
<input type="checkbox"/> Limited Liability Co.																		
<input type="checkbox"/> Trust																		
<input type="checkbox"/> Other _____																		
GOVERNMENTAL																		
<input type="checkbox"/> State																		
<input type="checkbox"/> County																		
<input type="checkbox"/> Other _____																		
In the event there are further questions about this report, please contact: Name: <u>Larry Templin</u> Telephone Number: <u>630-759-1112</u> Please send copies of desk review and audit adjustments to address on this page		<table border="1"> <tr> <td rowspan="2"> Officer or Administrator of Provider </td> <td>(Signed) _____</td> </tr> <tr> <td>(Date) _____</td> </tr> <tr> <td rowspan="5"> Paid Preparer </td> <td>(Type or Print Name) <u>Nicholas Vangel</u></td> </tr> <tr> <td>(Title) <u>Executive Director</u></td> </tr> <tr> <td>(Signed) <u>SEE ACCOUNTANTS' COMPILATION REPORT</u></td> </tr> <tr> <td>(Date) _____</td> </tr> <tr> <td>(Print Name and Title) _____</td> </tr> <tr> <td></td> <td>(Firm Name & Address) <u>Altschuler, Melvoin and Glasser LLP</u> <u>One South Wacker Drive, Suite 800, Chicago, IL 60606</u></td> </tr> <tr> <td></td> <td>(Telephone) <u>(312) 384-6000</u> Fax # <u>(312) 634-5518</u></td> </tr> <tr> <td colspan="2"> MAIL TO: OFFICE OF HEALTH FINANCE ILLINOIS DEPARTMENT OF PUBLIC AID 201 S. Grand Avenue East Springfield, IL 62763-0001 Phone # (217) 782-1630 </td> </tr> </table>		Officer or Administrator of Provider	(Signed) _____	(Date) _____	Paid Preparer	(Type or Print Name) <u>Nicholas Vangel</u>	(Title) <u>Executive Director</u>	(Signed) <u>SEE ACCOUNTANTS' COMPILATION REPORT</u>	(Date) _____	(Print Name and Title) _____		(Firm Name & Address) <u>Altschuler, Melvoin and Glasser LLP</u> <u>One South Wacker Drive, Suite 800, Chicago, IL 60606</u>		(Telephone) <u>(312) 384-6000</u> Fax # <u>(312) 634-5518</u>	MAIL TO: OFFICE OF HEALTH FINANCE ILLINOIS DEPARTMENT OF PUBLIC AID 201 S. Grand Avenue East Springfield, IL 62763-0001 Phone # (217) 782-1630	
Officer or Administrator of Provider	(Signed) _____																	
	(Date) _____																	
Paid Preparer	(Type or Print Name) <u>Nicholas Vangel</u>																	
	(Title) <u>Executive Director</u>																	
	(Signed) <u>SEE ACCOUNTANTS' COMPILATION REPORT</u>																	
	(Date) _____																	
	(Print Name and Title) _____																	
	(Firm Name & Address) <u>Altschuler, Melvoin and Glasser LLP</u> <u>One South Wacker Drive, Suite 800, Chicago, IL 60606</u>																	
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MAIL TO: OFFICE OF HEALTH FINANCE ILLINOIS DEPARTMENT OF PUBLIC AID 201 S. Grand Avenue East Springfield, IL 62763-0001 Phone # (217) 782-1630																		

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Meadowbrook Manor-Naperville# 0041285 Report Period Beginning: 01/01/04 Ending: 12/31/04

III. STATISTICAL DATA

A. Licensure/certification level(s) of care; enter number of beds/bed days,
(must agree with license). Date of change in licensed bedsN/A

	1	2	3	4	
	Beds at Beginning of Report Period	Licensure Level of Care	Beds at End of Report Period	Licensed Bed Days During Report Period	
1	<u>245</u>	Skilled (SNF)	<u>245</u>	<u>89,670</u>	1
2		Skilled Pediatric (SNF/PED)			2
3		Intermediate (ICF)			3
4		Intermediate/DD			4
5		Sheltered Care (SC)			5
6		ICF/DD 16 or Less			6
7	<u>245</u>	TOTALS	<u>245</u>	<u>89,670</u>	7

B. Census-For the entire report period.

	1	2	3	4	5	
	Level of Care	Patient Days by Level of Care and Primary Source of Payment				
		Public Aid Recipient	Private Pay	Other	Total	
8	SNF	<u>59,293</u>	<u>10,189</u>	<u>10,587</u>	<u>80,069</u>	8
9	SNF/PED					9
10	ICF					10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	<u>59,293</u>	<u>10,189</u>	<u>10,587</u>	<u>80,069</u>	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed
bed days on line 7, column 4.) 89.29%

D. How many bed-hold days during this year were paid by Public Aid?

None (Do not include bed-hold days in Section B.)E. List all services provided by your facility for non-patients.
(E.g., day care, "meals on wheels", outpatient therapy)None

F. Does the facility maintain a daily midnight census?

YesG. Do pages 3 & 4 include expenses for services or
investments not directly related to patient care?YES ☒NO ☐Non-allowable costs have been
eliminated in Schedule V, Column 7.

H. Does the BALANCE SHEET (page 17) reflect any non-care assets?

YES ☐NO ☒

I. On what date did you start providing long term care at this location?

Date started 02/09/96

J. Was the facility purchased or leased after January 1, 1978?

YES ☒Date 02/09/96NO ☐

K. Was the facility certified for Medicare during the reporting year?

YES ☒NO ☐

If YES, enter number

of beds certified 231 and days of care provided 10,278Medicare Intermediary Mutual of Omaha

IV. ACCOUNTING BASIS

ACCRUAL ☒

MODIFIED

CASH* ☐CASH* ☐

Is your fiscal year identical to your tax year?

YES ☒NO ☐Tax Year: 12/31/04 Fiscal Year: 12/31/04

* All facilities other than governmental must report on the accrual basis.

SEE ACCOUNTANTS' COMPILATION REPORT

STATE OF ILLINOIS

Page 3

Facility Name & ID Number Meadowbrook Manor-Naperville # 0041285 Report Period Beginning: 01/01/04 Ending: 12/31/04

V. COST CENTER EXPENSES (throughout the report, please round to the nearest dollar)

	Operating Expenses	Costs Per General Ledger				Reclassification 5	Reclassified Total 6	Adjust- ments 7**	Adjusted Total 8	FOR OHF USE ONLY	
		Salary/Wage 1	Supplies 2	Other 3	Total 4					9	10
	A. General Services										
1	Dietary	377,752	41,605	11,880	431,237		431,237		431,237		1
2	Food Purchase		404,726		404,726		404,726	(4,394)	400,332		2
3	Housekeeping	224,311	51,357		275,668		275,668		275,668		3
4	Laundry	61,197	41,272		102,469		102,469		102,469		4
5	Heat and Other Utilities			226,810	226,810		226,810		226,810		5
6	Maintenance	43,263	23,559	129,318	196,140		196,140	34,362	230,502		6
7	Other (specify):*Emp. Ben.-Mgmt Co.							5,027	5,027		7
8	TOTAL General Services	706,523	562,519	368,008	1,637,050		1,637,050	34,995	1,672,045		8
	B. Health Care and Programs										
9	Medical Director			66,000	66,000		66,000		66,000		9
10	Nursing and Medical Records	3,811,486	277,181	95,830	4,184,497		4,184,497	23,761	4,208,258		10
10a	Therapy		4,448	557,278	561,726		561,726	(69,821)	491,905		10a
11	Activities	102,307	18,361	2,484	123,152		123,152		123,152		11
12	Social Services	91,663		3,359	95,022		95,022		95,022		12
13	Nurse Aide Training			10,530	10,530		10,530		10,530		13
14	Program Transportation										14
15	Other (specify):*Emp. Ben.-Mgmt Co.							38,086	38,086		15
16	TOTAL Health Care and Programs	4,005,456	299,990	735,481	5,040,927		5,040,927	(7,974)	5,032,953		16
	C. General Administration										
17	Administrative	71,794		540,000	611,794		611,794	(449,132)	162,662		17
18	Directors Fees										18
19	Professional Services			186,864	186,864		186,864	18,831	205,695		19
20	Dues, Fees, Subscriptions & Promotions			68,429	68,429		68,429	(32,014)	36,415		20
21	Clerical & General Office Expenses	98,180	26,730	39,698	164,608		164,608	264,746	429,354		21
22	Employee Benefits & Payroll Taxes			784,189	784,189		784,189		784,189		22
23	Inservice Training & Education										23
24	Travel and Seminar			3,177	3,177		3,177	1,549	4,726		24
25	Other Admin. Staff Transportation			609	609		609	2,266	2,875		25
26	Insurance-Prop.Liab.Malpractice			186,598	186,598		186,598	52,812	239,410		26
27	Other (specify):*Emp. Ben.-Mgmt Co.							51,751	51,751		27
28	TOTAL General Administration	169,974	26,730	1,809,564	2,006,268		2,006,268	(89,191)	1,917,077		28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	4,881,953	889,239	2,913,053	8,684,245		8,684,245	(62,170)	8,622,075		29

*Attach a schedule if more than one type of cost is included on this line, or if the total exceeds \$1000.

SEE ACCOUNTANTS' COMPILATION REPORT

NOTE: Include a separate schedule detailing the reclassifications made in column 5. Be sure to include a detailed explanation of each reclassification.

Facility Name & ID Number

Meadowbrook Manor-Naperville

#0041285

Report Period Beginning:

01/01/04

Ending:

12/31/04

V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost Per General Ledger				Reclass- ification 5	Reclassified Total 6	Adjust- ments 7**	Adjusted Total 8	FOR OHF USE ONLY		
		Salary/Wage 1	Supplies 2	Other 3	Total 4					9	10	
	D. Ownership											
30	Depreciation			36,598	36,598		36,598	347,660	384,258			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			68,937	68,937		68,937	782,556	851,493			32
33	Real Estate Taxes							236,586	236,586			33
34	Rent-Facility & Grounds			2,682,744	2,682,744		2,682,744	(2,682,744)				34
35	Rent-Equipment & Vehicles			2,177	2,177		2,177		2,177			35
36	Other (specify):*Mtg Insurance							121,782	121,782			36
37	TOTAL Ownership			2,790,456	2,790,456		2,790,456	(1,194,160)	1,596,296			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation			978	978		978		978			38
39	Ancillary Service Centers		421,441		421,441		421,441		421,441			39
40	Barber and Beauty Shops			24,974	24,974		24,974		24,974			40
41	Coffee and Gift Shops											41
42	Provider Participation Fee			134,506	134,506		134,506		134,506			42
43	Other (specify):* Nonallowable Costs			269,975	269,975		269,975	(269,975)				43
44	TOTAL Special Cost Centers		421,441	430,433	851,874		851,874	(269,975)	581,899			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	4,881,953	1,310,680	6,133,942	12,326,575		12,326,575	(1,526,305)	10,800,270			45

*Attach a schedule if more than one type of cost is included on this line, or if the total exceeds \$1000.

**See schedule of adjustments attached at end of cost report.

SEE ACCOUNTANTS' COMPILATION REPORT

	1	2	3	
	Amount	Refer-	OHF USE	
NON-ALLOWABLE EXPENSES		ence	ONLY	
1 Day Care	\$		\$	1
2 Other Care for Outpatients				2
3 Governmental Sponsored Special Programs				3
4 Non-Patient Meals	(4,394)	1		4
5 Telephone, TV & Radio in Resident Rooms	(3,203)	43		5
6 Rented Facility Space				6
7 Sale of Supplies to Non-Patients				7
8 Laundry for Non-Patients				8
9 Non-Straightline Depreciation	(2,135)	30		9
10 Interest and Other Investment Income	(13,119)	32		10
11 Discounts, Allowances, Rebates & Refunds				11
12 Non-Working Officer's or Owner's Salary				12
13 Sales Tax	(665)	43		13
14 Non-Care Related Interest	(52,833)	32		14
15 Non-Care Related Owner's Transactions				15
16 Personal Expenses (Including Transportation)				16
17 Non-Care Related Fees	(4,419)	20		17
18 Fines and Penalties	(11,830)	43		18
19 Entertainment	(297)	43		19
20 Contributions	(235)	43		20
21 Owner or Key-Man Insurance				21
22 Special Legal Fees & Legal Retainers	(781)	19		22
23 Malpractice Insurance for Individuals				23
24 Bad Debt	(207,634)	43		24
25 Fund Raising, Advertising and Promotional	(59,857)	43		25
26 Income Taxes and Illinois Personal Property Replacement Tax	6,427	43		26
27 Nurse Aide Training for Non-Employees				27
28 Yellow Page Advertising	(28,688)	20		28
29 Other-Attach Schedule See Attached Sch 5a	(21,728)			29
30 SUBTOTAL (A): (Sum of lines 1-29)	\$ (405,391)		\$	30

OHF USE ONLY					
48	49	50	51	52	

B. If there are expenses experienced by the facility which do not appear in the general ledger, they should be entered below.(See instructions.)

	1	2	
	Amount	Reference	
31 Non-Paid Workers-Attach Schedule*	\$		31
32 Donated Goods-Attach Schedule*			32
33 Amortization of Organization & Pre-Operating Expense			33
34 Adjustments for Related Organization Costs (Schedule VII)	(1,120,914)		34
35 Other- Attach Schedule			35
36 SUBTOTAL (B): (sum of lines 31-35)	\$ (1,120,914)		36
(sum of SUBTOTALS)			
37 TOTAL ADJUSTMENTS (A) and (B))	\$ (1,526,305)		37

*These costs are only allowable if they are necessary to meet minimum licensing standards. Attach a schedule detailing the items included on these lines.

C. Are the following expenses included in Sections A to D of pages 3 and 4? If so, they should be reclassified into Section E. Please reference the line on which they appear before reclassification. (See instructions.)

	1	2	3	4	
	Yes	No	Amount	Reference	
38 Medically Necessary Transport.		x	\$		38
39					39
40 Gift and Coffee Shops		x			40
41 Barber and Beauty Shops		x			41
42 Laboratory and Radiology		x			42
43 Prescription Drugs		x			43
44 Exceptional Care Program		x			44
45 Other-Attach Schedule		x			45
46 Other-Attach Schedule		x			46
47 TOTAL (C): (sum of lines 38-46)			\$		47

SEE ACCOUNTANTS' COMPILATION REPORT

Butterfield Health Care II, Inc.
D/B/A Meadowbrook Manor-Naperville
Provider #0041285
12/31/2004

Schedule 5A

VI. Adjustment Detail
Non-Allowable Expenses
Line 29 - Other

Description	Amount	Schedule V Reference
Patient's Clothing	(21)	43
Physician Fees	(143)	43
Optometrist	(90)	43
Radiology	(11,102)	43
Laboratory	(6,372)	43
Lawsuit Settlement	(4,000)	43
	<u>(21,728)</u>	

See Accountants' Compilation Report

Meadowbrook Manor-Naperville

ID# 0041285

Report Period Beginning: 01/01/04

Ending: 12/31/04

Sch. V Line

NON-ALLOWABLE EXPENSES		Amount	Reference
1		\$	1
2			2
3			3
4			4
5			5
6			6
7			7
8			8
9			9
10			10
11			11
12			12
13			13
14			14
15			15
16			16
17			17
18			18
19			19
20			20
21			21
22			22
23			23
24			24
25			25
26			26
27			27
28			28
29			29
30			30
31			31
32			32
33			33
34			34
35			35
36			36
37			37
38			38
39			39
40			40
41			41
42			42
43			43
44			44
45			45
46			46
47			47
48			48
49	Total	0	49

STATE OF ILLINOIS

Summary A

Facility Name & ID Number Meadowbrook Manor-Naperville

0041285

Report Period Beginning:

01/01/04

Ending:

12/31/04

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

SEE ACCOUNTANTS' COMPILATION REPORT

	Operating Expenses	PAGES 5 & 5A	PAGE 6	PAGE 6A	PAGE 6B	PAGE 6C	PAGE 6D	PAGE 6E	PAGE 6F	PAGE 6G	PAGE 6H	PAGE 6I	SUMMARY TOTALS (to Sch V, col.7)	
	A. General Services													
1	Dietary	(4,394)	0	0	0	0	0	0	0	0	0	0	(4,394)	1
2	Food Purchase	0	0	0	0	0	0	0	0	0	0	0	0	2
3	Housekeeping	0	0	0	0	0	0	0	0	0	0	0	0	3
4	Laundry	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Heat and Other Utilities	0	0	0	0	0	0	0	0	0	0	0	0	5
6	Maintenance	0	0	0	34,362	0	0	0	0	0	0	0	34,362	6
7	Other (specify):*	0	0	0	5,027	0	0	0	0	0	0	0	5,027	7
8	TOTAL General Services	(4,394)	0	0	39,389	0	0	0	0	0	0	0	34,995	8
	B. Health Care and Programs													
9	Medical Director	0	0	0	0	0	0	0	0	0	0	0	0	9
10	Nursing and Medical Records	0	0	0	16,902	0	0	0	0	0	0	0	16,902	10
10a	Therapy	0	0	0	(69,821)	0	0	0	0	0	0	0	(69,821)	10a
11	Activities	0	0	0	0	0	0	0	0	0	0	0	0	11
12	Social Services	0	0	0	6,859	0	0	0	0	0	0	0	6,859	12
13	Nurse Aide Training	0	0	0	0	0	0	0	0	0	0	0	0	13
14	Program Transportation	0	0	0	0	0	0	0	0	0	0	0	0	14
15	Other (specify):*	0	0	0	(501,914)	0	0	0	0	0	0	0	(501,914)	15
16	TOTAL Health Care and Programs	0	0	0	(547,974)	0	0	0	0	0	0	0	(547,974)	16
	C. General Administration													
17	Administrative	0	0	0	90,868	0	0	0	0	0	0	0	90,868	17
18	Directors Fees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Professional Services	(781)	0	14,979	4,633	0	0	0	0	0	0	0	18,831	19
20	Fees, Subscriptions & Promotions	(33,107)	0	400	693	0	0	0	0	0	0	0	(32,014)	20
21	Clerical & General Office Expenses	0	0	0	264,746	0	0	0	0	0	0	0	264,746	21
22	Employee Benefits & Payroll Taxes	0	0	0	0	0	0	0	0	0	0	0	0	22
23	Inservice Training & Education	0	0	0	0	0	0	0	0	0	0	0	0	23
24	Travel and Seminar	0	0	0	1,549	0	0	0	0	0	0	0	1,549	24
25	Other Admin. Staff Transportation	0	0	0	2,266	0	0	0	0	0	0	0	2,266	25
26	Insurance-Prop.Liab.Malpractice	0	0	52,812	0	0	0	0	0	0	0	0	52,812	26
27	Other (specify):*	0	0	0	51,751	0	0	0	0	0	0	0	51,751	27
28	TOTAL General Administration	(33,888)	0	68,191	416,506	0	0	0	0	0	0	0	450,809	28
29	TOTAL Operating Expense (sum of lines 8,16 & 28)	(38,282)	0	68,191	(92,079)	0	0	0	0	0	0	0	(62,170)	29

STATE OF ILLINOIS

Summary B

Facility Name & ID Number Meadowbrook Manor-Naperville

0041285

Report Period Beginning:

01/01/04

Ending:

12/31/04

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

SEE ACCOUNTANTS' COMPILATION REPORT

	Capital Expense	PAGES 5 & 5A	PAGE 6	PAGE 6A	PAGE 6B	PAGE 6C	PAGE 6D	PAGE 6E	PAGE 6F	PAGE 6G	PAGE 6H	PAGE 6I	SUMMARY TOTALS (to Sch V, col.7)	
	D. Ownership													
30	Depreciation	(2,135)	0	348,118	1,677	0	0	0	0	0	0	0	347,660	30
31	Amortization of Pre-Op. & Org.	0	0	0	0	0	0	0	0	0	0	0	0	31
32	Interest	(65,952)	0	848,508	0	0	0	0	0	0	0	0	782,556	32
33	Real Estate Taxes	0	0	236,586	0	0	0	0	0	0	0	0	236,586	33
34	Rent-Facility & Grounds	0	0	(2,682,744)	0	0	0	0	0	0	0	0	(2,682,744)	34
35	Rent-Equipment & Vehicles	0	0	0	0	0	0	0	0	0	0	0	0	35
36	Other (specify):*	0	0	121,782	0	0	0	0	0	0	0	0	121,782	36
37	TOTAL Ownership	(68,087)	0	(1,127,750)	1,677	0	0	0	0	0	0	0	(1,194,160)	37
	Ancillary Expense													
	E. Special Cost Centers													
38	Medically Necessary Transportation	0	0	0	0	0	0	0	0	0	0	0	0	38
39	Ancillary Service Centers	0	0	0	0	0	0	0	0	0	0	0	0	39
40	Barber and Beauty Shops	0	0	0	0	0	0	0	0	0	0	0	0	40
41	Coffee and Gift Shops	0	0	0	0	0	0	0	0	0	0	0	0	41
42	Provider Participation Fee	0	0	0	0	0	0	0	0	0	0	0	0	42
43	Other (specify):*	(277,294)	0	(18,427)	47,474	0	0	0	0	0	0	0	(248,247)	43
44	TOTAL Special Cost Centers	(277,294)	0	(18,427)	47,474	0	0	0	0	0	0	0	(248,247)	44
	GRAND TOTAL COST													
45	(sum of lines 29, 37 & 44)	(383,663)	0	(1,077,986)	(42,928)	0	0	0	0	0	0	0	(1,504,577)	45

Facility Name & ID Number Meadowbrook Manor-Naperville

0041285

Report Period Beginning:

01/01/04

Ending:

12/31/04

VII. RELATED PARTIES

A. Enter below the names of ALL owners and related organizations (parties) as defined in the instructions. Attach an additional schedule if necessary.

1 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES		
Name	Ownership %	Name	City	Name	City	Type of Business
		Butterfield Health Care, Inc. d/b/a	Bolingbrook	J&D Partners, L.P.	Bolingbrook	Lessor
		Meadowbrook Manor		MMN Partners, L.P.	Naperville	Lessor
				Butterfield Health		
See Schedule 6C	See Schedule 6C	Seneca Nursing Home, Inc. d/b/a Lee Manor	Des Plaines	Care Group, Inc.	Bolingbrook	Management Co.
				Seneca Building		
				Limited Partnership	Des Plaines	Lessor

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth.

☒ YES
 ☐ NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)
1	V		\$			\$	\$
2	V						
3	V						
4	V						
5	V						
6	V		2,685,729	MMN Partners, L.P. (Page 6A)	100.00%	1,607,743	(1,077,986)
7	V						
8	V		1,005,107	Butterfield Health Care Group, Inc. (Page 6B)	100.00%	962,179	(42,928)
9	V						
10	V						
11	V						
12	V						
13	V						
14	Total		\$ 3,690,836			\$ 2,569,922	\$ * (1,120,914)

* Total must agree with the amount recorded on line 34 of Schedule VI.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Meadowbrook Manor-Naperville

0041285

Report Period Beginning: 01/01/04

Ending: 12/31/04

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth.

☒

YES

☐

NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)
15	V	19 Professional Services	\$	MMN Partners, L.P.	100.00%	\$ 14,979	\$ 14,979
16	V	20 Fees & Subscriptions		MMN Partners, L.P.	100.00%	400	400
17	V	26 Insurance-Prop, Liab, Malpractice		MMN Partners, L.P.	100.00%	52,812	52,812
18	V	30 Depreciation		MMN Partners, L.P.	100.00%	348,118	348,118
19	V	32 Interest Expense	2,985	MMN Partners, L.P.	100.00%	851,493	848,508
20	V	33 Real Estate Taxes		MMN Partners, L.P.	100.00%	236,586	236,586
21	V	34 Rent	2,682,744	MMN Partners, L.P.	100.00%		(2,682,744)
22	V	36 Mortgage Insurance		MMN Partners, L.P.	100.00%	121,782	121,782
23	V	43 State Repl. Taxes		MMN Partners, L.P.	100.00%	(18,427)	(18,427)
24	V						
25	V						
26	V						
27	V						
28	V						
29	V						
30	V						
31	V						
32	V						
33	V						
34	V						
35	V						
36	V						
37	V						
38	V						
39	Total		\$ 2,685,729			\$ 1,607,743	\$ * (1,077,986)

* Total must agree with the amount recorded on line 34 of Schedule VI.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Meadowbrook Manor-Naperville

0041285

Report Period Beginning: 01/01/04

Ending: 12/31/04

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth.

☒

YES

☐

NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:	
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)	
15	V	6 Maintenance Salaries	\$	Butterfield Health Care Group, Inc.	100.00%	\$ 34,362	\$ 34,362	15
16	V	7 Employee Benefits-Gen. Svc		Butterfield Health Care Group, Inc.	100.00%	5,027	5,027	16
17	V	10 Central Supply Salaries		Butterfield Health Care Group, Inc.	100.00%	16,902	16,902	17
18	V	10a Therapy Salaries	465,107	Butterfield Health Care Group, Inc.	100.00%	353,266	(111,841)	18
19	V	10a Therapy Agency		Butterfield Health Care Group, Inc.	100.00%	42,020	42,020	19
20	V	12 Social Service Salaries		Butterfield Health Care Group, Inc.	100.00%	6,859	6,859	20
21	V	15 Employee Benefits-Nursing	540,000	Butterfield Health Care Group, Inc.	100.00%	38,086	(501,914)	21
22	V	17 Administrative Salaries		Butterfield Health Care Group, Inc.	100.00%	90,868	90,868	22
23	V	19 Professional Services		Butterfield Health Care Group, Inc.	100.00%	4,633	4,633	23
24	V	20 Fees & Subscriptions		Butterfield Health Care Group, Inc.	100.00%	693	693	24
25	V	21 Clerical & General Office Exp.		Butterfield Health Care Group, Inc.	100.00%	264,746	264,746	25
26	V	24 Travel & Seminar		Butterfield Health Care Group, Inc.	100.00%	1,549	1,549	26
27	V	25 Other Admin. Staff Trans.		Butterfield Health Care Group, Inc.	100.00%	2,266	2,266	27
28	V	27 Employee Benefits-Gen Adm		Butterfield Health Care Group, Inc.	100.00%	51,751	51,751	28
29	V	30 Depreciation		Butterfield Health Care Group, Inc.	100.00%	1,677	1,677	29
30	V	43 Other (Non-Allowable Expenses)		Butterfield Health Care Group, Inc.	100.00%	47,474	47,474	30
31	V							31
32	V							32
33	V							33
34	V							34
35	V							35
36	V							36
37	V							37
38	V							38
39	Total		\$ 1,005,107			\$ 962,179	\$ * (42,928)	39

* Total must agree with the amount recorded on line 34 of Schedule VI.

SEE ACCOUNTANTS' COMPILATION REPORT

Butterfield Health Care II, Inc.
D/B/A Meadowbrook Manor-Naperville
Provider #0041285
12/31/2004

Schedule 6C

VII. Section A. - Related Parties - Column 1 (Owners)

Name	Ownership %
Robert Jafari	25.00%
Kianoosh Jafari	25.00%
Decendants S Corp Trust F/B/O Sean William Dimas	6.67%
Decendants S Corp Trust F/B/O Sasha Eva Dimas	6.67%
Decendants S Corp Trust F/B/O Ashley Maria Dimas	6.66%
Nicholas Vangel	20.00%
Dorothy Vangel QSS Trust	7.50%
Decendant's Non GST Exempt S-Corp Trust F/B/O Ashley Maria Dimas	0.50%
Decendant's Non GST Exempt S-Corp Trust F/B/O Sasha Eva Dimas	0.50%
Decendant's Non GST Exempt S-Corp Trust F/B/O Sean William Dimas	0.50%
Decendant's GST Exempt S-Corp Trust F/B/O Katherine Hocuk	0.50%
Decendant's GST Exempt S-Corp Trust F/B/O Christopher Vangel	0.50%
	<u>100.00%</u>

See Accountants' Compilation Report

Facility Name & ID Number Meadowbrook Manor-Naperville # 0041285 Report Period Beginning: 01/01/04 Ending: 12/31/04

VII. RELATED PARTIES (continued)

C. Statement of Compensation and Other Payments to Owners, Relatives and Members of Board of Directors.

NOTE: ALL owners (even those with less than 5% ownership) and their relatives who receive any type of compensation from this home must be listed on this schedule.

	1 Name	2 Title	3 Function	4 Ownership Interest	5 Compensation Received From Other Nursing Homes*	6 Average Hours Per Work Week Devoted to this Facility and % of Total Work Week		7 Compensation Included in Costs for this Reporting Period**		8 Schedule V. Line & Column Reference	
						Hours	Percent	Description	Amount		
1	Robert Jafari	Stockholder	Executive Director	25.00	71,426	18	45.00	Salary	\$ 63,168	L.17, C.1	1
2	Nicholas Vangel	Stockholder	Executive Director	20.00	42,000	18	45.00	N/A		N/A	2
3	Christopher Vangel	Operating Spvr	Administrative	0.05	31,319	18	45.00	Salary	27,700	L.17, C.1	3
4	Kianoosh Jafari	Stockholder	Medical Director	25.00	12,000	18	45.00	Med. Dir. Fee	12,000	L.9, C.3	4
5	Sean Dimas	Stockholder	Administrative	6.67	22,088	0	0.00	N/A		N/A	5
6											6
7	Note 1- Robert Jafari and Christopher Vangel received compensation from only one other nursing home which was										7
8	Butterfield Health Care, Inc. d/b/a Meadowbrook Manor										8
9	Note 2- Nicholas Vangel received \$42,000 of Directors Fees from Seneca Nursing Home, Inc. d/b/a Lee Manor										9
10											10
11	Note 3- Kianoosh Jafari received \$12,000 of Medical Director Fees from Butterfield Health Care, Inc. d/b/a Meadowbrook Manor										11
12	Note 4- Sean Dimas received \$22,088 of salaries from Seneca Nursing Home, Inc. d/b/a Lee Manor										12
13								TOTAL	\$ 102,868		13

* If the owner(s) of this facility or any other related parties listed above have received compensation from other nursing homes, attach a schedule detailing the name(s) of the home(s) as well as the amount paid. THIS AMOUNT MUST AGREE TO THE AMOUNTS CLAIMED ON THE THE OTHER NURSING HOMES' COST REPORTS.

** This must include all forms of compensation paid by related entities and allocated to Schedule V of this report (i.e., management fees). FAILURE TO PROPERLY COMPLETE THIS SCHEDULE INDICATING ALL FORMS OF COMPENSATION RECEIVED FROM THIS HOME, ALL OTHER NURSING HOMES AND MANAGEMENT COMPANIES MAY RESULT IN THE DISALLOWANCE OF SUCH COMPENSATION

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Meadowbrook Manor-Naperville

0041285

Report Period Beginning:

01/01/04

Ending: 12/31/04

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES ☒ NO ☐

Name of Related Organization

Butterfield Health Care Group, Inc.

Street Address

431 W. Remington Blvd.

City / State / Zip Code

Bolingbrook, IL 60440

Phone Number

(630) 759-1112

Fax Number

(630) 759-4406

B. Show the allocation of costs below. If necessary, please attach worksheets.

1	2	3	4	5	6	7	8	9	
Schedule V Line Reference	Item	Unit of Allocation (i.e., Days, Direct Cost, Square Feet)	Total Units	Number of Subunits Being Allocated Among	Total Indirect Cost Being Allocated	Amount of Salary Cost Contained in Column 6	Facility Units	Allocation (col.8/col.4)x col.6	
1	6	Maintenance Salaries	Resident Days	170,602	2	\$ 73,215	\$ 80,069	\$ 34,362	1
2	7	Employee Benefits-Gen. Svc	Resident Days	170,602	2	10,711	0	5,027	2
3	10	Central Supply Salaries	Resident Days	170,602	2	36,013	36,013	16,902	3
4	10a	Therapy Salaries	Gross Charges	3,395,446	2	620,734	620,734	353,266	4
5	10a	Therapy Agency	Actual Cost	42,020	1	42,020	0	42,020	5
6	12	Social Service Salaries	Resident Days	170,602	2	14,615	14,615	6,859	6
7	15	Employee Benefits-Nursing	Resident Days	170,602	2	81,149	0	38,086	7
8	17	Administrative Salaries	Resident Days	170,602	2	193,612	193,612	90,868	8
9	19	Professional Services	Resident Days	170,602	2	9,871	0	4,633	9
10	20	Fees & Subscriptions	Resident Days	170,602	2	1,477	0	693	10
11	21	Clerical & General Office Exp.	Resident Days	170,602	2	564,088	560,048	264,746	11
12	24	Travel & Seminar	Resident Days	170,602	2	3,300	0	1,549	12
13	25	Other Admin. Staff Trans.	Resident Days	170,602	2	4,828	0	2,266	13
14	27	Employee Benefits-Gen Adm	Resident Days	170,602	2	110,266	0	51,751	14
15	30	Depreciation	Resident Days	170,602	2	3,574	0	1,677	15
16	43	Other (Non-Allowable Expenses)	Resident Days	170,602	2	101,150	87,476	47,474	16
17									17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
25	TOTALS					\$ 1,870,623	\$ 1,585,713	\$ 962,179	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Meadowbrook Manor-Naperville# 0041285

Report Period Beginning:

01/01/04

Ending:

12/31/04

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE

A. Interest: (Complete details must be provided for each loan - attach a separate schedule if necessary.)

1		2		3	4	5	6		7	8	9	10	
	Name of Lender	Related**		Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note		Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense		
		YES	NO				Original	Balance					
	A. Directly Facility Related												
	Long-Term												
1	GMAC		X	Mortgage	\$94,985.27	5/22/03	\$ 16,320,000	\$ 16,066,155	06/01/38	0.0525	\$ 847,637	1	
2	GMAC		X	Amortization of Loan Costs	N/A						3,856	2	
3												3	
4												4	
5												5	
	Working Capital												
6	Bank One	X		Working Capital	N/A	05/31/04	2,550,000	1,925,000	05/31/05	Prime - .5%	68,937	6	
7	Shareholder Loans	X		Working Capital	N/A	05/06/98	864,052	764,052	Demand	None		7	
8	Shareholder Loans	X		Working Capital	\$183,333.33	12/31/04	550,000	550,000	04/30/05	LIBOR + 1.75%		8	
9	TOTAL Facility Related				\$278,318.60		\$ 20,284,052	\$ 19,305,207			\$ 920,430	9	
	B. Non-Facility Related*												
10												10	
11							Offset Interest Income				(16,104)	11	
12							Offset Related Party Interest Expense				(52,833)	12	
13												13	
14	TOTAL Non-Facility Related						\$	\$			\$ (68,937)	14	
15	TOTALS (line 9+line14)						\$ 20,284,052	\$ 19,305,207			\$ 851,493	15	

16) Please indicate the total amount of mortgage insurance expense and the location of this expense on Sch. V. \$ 121,782 Line # 36* Any interest expense reported in this section should be adjusted out on page 5, line 14 and, consequently, page 4, col. 7.
(See instructions.)

SEE ACCOUNTANTS' COMPILATION REPORT

** If there is ANY overlap in ownership between the facility and the lender, this must be indicated in column 2.
(See instructions.)

Facility Name & ID Number **Meadowbrook Manor-Naperville**# **0041285**Report Period Beginning: **01/01/04**

Ending:

12/31/04**IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE (continued)****B. Real Estate Taxes**

1. Real Estate Tax accrual used on 2003 report.		Important , please see the next worksheet, "RE_Tax". The real estate tax statement and bill must accompany the cost report.	\$	242,000	1
2. Real Estate Taxes paid during the year: (Indicate the tax year to which this payment applies. If payment covers more than one year, detail below.)		2003	\$	230,897	2
3. Under or (over) accrual (line 2 minus line 1).			\$	(11,103)	3
4. Real Estate Tax accrual used for 2004 report. (Detail and explain your calculation of this accrual on the lines below.)			\$	242,000	4
5. Direct costs of an appeal of tax assessments which has NOT been included in professional fees or other general operating costs on Schedule V, sections A, B or C. (Describe appeal cost below. Attach copies of invoices to support the cost and a copy of the appeal filed with the county.)			\$	5,689	5
6. Subtract a refund of real estate taxes. You must offset the full amount of any direct appeal costs classified as a real estate tax cost plus one-half of any remaining refund.					
TOTAL REFUND \$ For Tax Year. (Attach a copy of the real estate tax appeal board's decision.)			\$		6
7. Real Estate Tax expense reported on Schedule V, line 33. This should be a combination of lines 3 thru 6.			\$	236,586	7

Real Estate Tax History:					
Real Estate Tax Bill for Calendar Year:	1999	242,819	8		
	2000	255,167	9		
	2001	243,276	10		
	2002	230,268	11		
	2003	230,897	12		

2003 Tax Bill	230,897				
Estimated Increase	1.05				
Total	242,442				
Use	242,000				

		FOR OHF USE ONLY		
13	FROM R. E. TAX STATEMENT FOR 2003	\$		13
14	PLUS APPEAL COST FROM LINE 5	\$		14
15	LESS REFUND FROM LINE 6	\$		15
16	AMOUNT TO USE FOR RATE CALCULATION	\$		16

NOTES:

1. Please indicate a negative number by use of brackets(). Deduct any overaccrual of taxes from prior year.
2. If facility is a non-profit which pays real estate taxes, you must attach a denial of an application for real estate tax exemption unless the building is rented from a for-profit entity.
This denial must be no more than four years old at the time the cost report is filed.

SEE ACCOUNTANTS' COMPILATION REPORT

IMPORTANT NOTICE

TO: Long Term Care Facilities with Real Estate Tax Rates RE: 2003 REAL ESTATE TAX COST DOCUMENTATION

In order to set the real estate tax portion of the capital rate, it is necessary that we obtain additional information regarding your calendar 2003 real estate tax costs, as well as copies of your original real estate tax bills for calendar 2003.

Please complete the Real Estate Tax Statement below and forward with a copy of your 2003 real estate tax bill to the Department of Public Aid, Office of Health Finance, 201 South Grand Avenue East, Springfield, Illinois 62763.

Please send these items in with your completed 2004 cost report. The cost report will not be considered complete and timely filed until this statement and the corresponding real estate tax bills are filed. If you have any questions,

2003 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Meadowbrook Manor-Naperville COUNTY DuPage

FACILITY IDPH LICENSE NUMBER 0041285

CONTACT PERSON REGARDING THIS REPORT Larry Templin

TELEPHONE (630) 759-1112 FAX #: (630) 759-4406

A. Summary of Real Estate Tax Costs

Enter the tax index number and real estate tax assessed for 2003 on the lines provided below. Enter only the portion of the cost that applies to the operation of the nursing home in Column D. Real estate tax applicable to any portion of the nursing home property which is vacant, rented to other organizations, or used for purposes other than long term care must not be entered in Column D. Do not include cost for any period other than calendar year 2003.

(A)	(B)	(C)	(D)
<u>Tax Index Number</u>	<u>Property Description</u>	<u>Total Tax</u>	<u>Tax Applicable to Nursing Home</u>
1. <u>07-14-113-001</u>	<u>Nursing Home</u>	\$ <u>230,897.40</u>	\$ <u>230,897.40</u>
2. _____	_____	\$ _____	\$ _____
3. _____	_____	\$ _____	\$ _____
4. _____	_____	\$ _____	\$ _____
5. _____	_____	\$ _____	\$ _____
6. _____	_____	\$ _____	\$ _____
7. _____	_____	\$ _____	\$ _____
8. _____	_____	\$ _____	\$ _____
9. _____	_____	\$ _____	\$ _____
10. _____	_____	\$ _____	\$ _____
TOTALS		\$ <u>230,897.40</u>	\$ <u>230,897.40</u>

B. Real Estate Tax Cost Allocation:

Does any portion of the tax bill apply to more than one nursing home, vacant property, or property which is not direct used for nursing home services? YES X NO

If YES, attach an explanation & a schedule which shows the calculation of the cost allocated to the nursing home (Generally the real estate tax cost must be allocated to the nursing home based upon sq. ft. of space used)

C. Tax Bills

Attach a copy of the original 2003 tax bills which were listed in Section A to this statement. Be sure to use the 2003 tax bill which is normally paid during 2004

SEE ACCOUNTANTS' COMPILATION REPORT

A. Square Feet: 109,175

B. General Construction Type:
 Exterior Brick
 Frame Steel
 Number of Stories 3

C. Does the Operating Entity?
 ☐ (a) Own the Facility
 ☒ (b) Rent from a Related Organization.
 ☐ (c) Rent from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI. Those checking (c) may complete Schedule XI or Schedule XII-A. See instructions.

D. Does the Operating Entity?
 ☒ (a) Own the Equipment
 ☒ (b) Rent equipment from a Related Organization.
 ☒ (c) Rent equipment from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI-C. Those checking (c) may complete Schedule XI-C or Schedule XII-B. See instructions.

E. List all other business entities owned by this operating entity or related to the operating entity that are located on or adjacent to this nursing home's ground: (such as, but not limited to, apartments, assisted living facilities, day training facilities, day care, independent living facilities, nurse aide training facilities, etc.)

List entity name, type of business, square footage, and number of beds/units available (where applicable)

None

F. Does this cost report reflect any organization or pre-operating costs which are being amortized?

☐ YES
 ☒ NO

If so, please complete the following:

1. Total Amount Incurred: N/A

2. Number of Years Over Which it is Being Amortized:

3. Current Period Amortization: N/A

4. Dates Incurred: N/A

Nature of Costs:

(Attach a complete schedule detailing the total amount of organization and pre-operating costs.)

XI. OWNERSHIP COSTS:

A. Land.

	1	2	3	4	
	Use	Square Feet	Year Acquired	Cost	
1	Resident Care	148,410	1996	\$ 279,600	1
2					2
3	TOTALS	148,410		\$ 279,600	3

Facility Name & ID Number Meadowbrook Manor-Naperville

0041285

Report Period Beginning:

01/01/04

Ending:

12/31/04

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar

	1 Beds*	2 FOR OHF USE ONLY	3 Year Acquired	4 Year Constructed	5 Cost	6 Current Book Depreciation	7 Life in Years	8 Straight Line Depreciation	9 Adjustments	10 Accumulated Depreciation	
4	245		1996	1996	\$ 9,863,922	\$	40	\$ 246,598	\$ 246,598	\$ 2,201,240	4
5											5
6											6
7											7
8											8
	Improvement Type**										
9	Landscaping Improvements		1996	1996	22,797	1,140	15	1,520	380	12,160	9
10	Fence		1996	1996	5,500	550	15	367	(183)	3,266	10
11	Land Improvements		1996	1996	12,824		40	320	320	2,855	11
12	Doors		1997	1997	5,961	596	20	298	(298)	2,235	12
13	Landscaping Improvements (Shrubs, Trees, Evergreens)		1998	1998	22,729	1,136	20	1,136		7,384	13
14	Leasehold Improvements (Air Ductwork, Dampers, Chimney)		2001	2001	4,425	113	20	221	108	774	14
15	Electrical Work-Dialysis Room		2002	2002	4,024	403	20	201	(202)	502	15
16	Lockinvar Burner		2002	2002	3,584	358	20	180	(178)	450	16
17	Fence		2002	2002	1,465	146	20	74	(72)	185	17
18	Signs		2002	2002	2,775	278	20	137	(141)	344	18
19	Exterior Signs/Electrical Work for Signs		2003	2003	1,575	158	20	79	(79)	233	19
20	Exterior Signs/Electrical Work for Signs		2003	2003	6,020		20	150	150	150	20
21	Plumbing for Dialysis Room		2003	2003	5,540	554	10	277	(277)	828	21
22	Plumbing for Dialysis Room		2003	2003	10,989		20	275	275	275	22
23	Install 7 Doors		2003	2003	3,433		20	86	86	86	23
24	Sealcoat Parking Lot		2003	2003	3,000		20	75	75	75	24
25	Install Vents in Oxygen Room		2003	2003	2,061	206	20	103	(103)	312	25
26	Replace Monitors and Multiplexer for Fire Alarms		2003	2003	1,890	189	20	94	(95)	281	26
27	Install Fire Alarm Sensors		2003	2003	9,517		20	238	238	238	27
28	Butterfly Garden		2004	2004	4,851	121	20	121		121	28
29	Install Fence		2004	2004	1,050		20	26	26	26	29
30	Install Smoke Dampers and Motors		2004	2004	3,300		20	82	82	82	30
31	Install Carpeting		2004	2004	56,444		20	1,413	1,413	1,413	31
32	Install Fan		2004	2004	3,218		20	80	80	80	32
33	Rebuild Hot Water Valves		2004	2004	1,657		20	41	41	41	33
34	Install 2 Doors		2004	2004	1,312		20	33	33	33	34
35											35
36											36

*Total beds on this schedule must agree with page 2.

**Improvement type must be detailed in order for the cost report to be considered complete

See Page 12A, Line 70 for total

SEE ACCOUNTANTS' COMPILATION REPORT

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar

1 Improvement Type**		3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
37			\$	\$		\$	\$	\$	37
38									38
39									39
40									40
41									41
42									42
43									43
44									44
45									45
46									46
47									47
48									48
49									49
50									50
51									51
52									52
53									53
54									54
55									55
56									56
57									57
58									58
59									59
60									60
61									61
62									62
63									63
64									64
65									65
66									66
67									67
68									68
69									69
70	TOTAL (lines 4 thru 69)		\$ 10,065,863	\$ 5,948		\$ 254,225	\$ 248,277	\$ 2,235,669	70

SEE ACCOUNTANTS' COMPILATION REPORT

**Improvement type must be detailed in order for the cost report to be considered complete

Facility Name & ID Number Meadowbrook Manor-Naperville

0041285

Report Period Beginning:

01/01/04

Ending:

12/31/04

XI. OWNERSHIP COSTS (continued)

C. Equipment Depreciation-Excluding Transportation. (See instructions.)

	Category of Equipment	1 Cost	Current Book Depreciation 2	Straight Line Depreciation 3	4 Adjustments	Component Life 5	Accumulated Depreciation 6	
71	Purchased in Prior Years	\$ 1,218,893	\$ 27,654	\$ 124,073	\$ 96,419	5-10Yrs	\$ 1,036,448	71
72	Current Year Purchases	69,334	2,996	4,283	1,287	10 Yrs	4,283	72
73	Fully Depreciated Assets	69,368				5-10 Yrs	69,368	73
74	Allocated from Mgmt. Co.			1,677	1,677	5-10 Yrs		74
75	TOTALS	\$ 1,357,595	\$ 30,650	\$ 130,033	\$ 99,383		\$ 1,110,099	75

D. Vehicle Depreciation (See instructions.)*

	1 Use	Model, Make and Year 2	Year Acquired 3	4 Cost	Current Book Depreciation 5	Straight Line Depreciation 6	7 Adjustments	Life in Years 8	Accumulated Depreciation 9	
76				\$	\$	\$	\$		\$	76
77										77
78										78
79										79
80	TOTALS			\$	\$	\$	\$		\$	80

E. Summary of Care-Related Assets

	1	2	
	Reference	Amount	
81	Total Historical Cost (line 3, col.4 + line 70, col.4 + line 75, col.1 + line 80, col.4) + (Pages 12B thru 12I, if applicable)	\$ 11,703,058	81
82	Current Book Depreciation (line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	\$ 36,598	82
83	Straight Line Depreciation (line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	\$ 384,258	83
84	Adjustments (line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	\$ 347,660	84
85	Accumulated Depreciation (line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	\$ 3,345,768	85

F. Depreciable Non-Care Assets Included in General Ledger. (See instructions.)

	1 Description & Year Acquired	2 Cost	Current Book Depreciation 3	Accumulated Depreciation 4	
86		\$	\$	\$	86
87					87
88	N/A				88
89					89
90					90
91	TOTALS	\$	\$	\$	91

G. Construction-in-Progress

	Description	Cost	
92		\$	92
93		N/A	93
94			94
95		\$	95

* Vehicles used to transport residents to & from day training must be recorded in XI-F, not XI-D.

** This must agree with Schedule V line 30, column 8.

SEE ACCOUNTANTS' COMPILATION REPORT

XII. RENTAL COSTS

A. Building and Fixed Equipment (See instructions.)

PLEASE ENTER ONLY DATES IN CELLS W16 AND W17

1. Name of Party Holding Lease: N/A

2. Does the facility also pay real estate taxes in addition to rental amount shown below on line 7, column 4?

If NO, see instructions.

☐ YES ☐ NO

		1 Year Constructed	2 Number of Beds	3 Original Lease Date	4 Rental Amount	5 Total Years of Lease	6 Total Years Renewal Option*	
3	Original Building:				\$			3
4	Additions		<u>N/A</u>					4
5								5
6								6
7	TOTAL				\$			7

**

8. List separately any amortization of lease expense included on page 4, line 34.

This amount was calculated by dividing the total amount to be amortized

by the length of the lease

N/A

N/A

N/A

9. Option to Buy:

☐

YES

☒

NO

Terms:

*

B. Equipment-Excluding Transportation and Fixed Equipment. (See instructions.)

15. Is Movable equipment rental included in building rental?

☐ YES

☒ NO

16. Rental Amount for movable equipment: \$ 2,177

Description:

Offsite Storage \$2,177

(Attach a schedule detailing the breakdown of movable equipment)

10. Effective dates of current rental agreement:

Beginning N/A

Ending N/A

11. Rent to be paid in future years under the current rental agreement:

Fiscal Year Ending

Annual Rent

12. /2005

\$

13. /2006

\$

14. /2007

\$

C. Vehicle Rental (See instructions.)

	1 Use	2 Model Year and Make	3 Monthly Lease Payment	4 Rental Expense for this Period	
17			\$	\$	17
18					18
19			<u>N/A</u>		19
20					20
21	TOTAL		\$	\$	21

* If there is an option to buy the building, please provide complete details on attached schedule.

** This amount plus any amortization of lease expense must agree with page 4, line 34.

SEE ACCOUNTANTS' COMPILATION REPORT

A. TYPE OF TRAINING PROGRAM (If aides are trained in another facility program, attach a schedule listing the facility name, address and cost per aide trained in that facility.)

1. HAVE YOU TRAINED AIDES DURING THIS REPORT PERIOD?	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	2. CLASSROOM PORTION:	3. CLINICAL PORTION:
		IN-HOUSE PROGRAM <input checked="" type="checkbox"/>	IN-HOUSE PROGRAM <input checked="" type="checkbox"/>
		IN OTHER FACILITY <input type="checkbox"/>	IN OTHER FACILITY <input type="checkbox"/>
		COMMUNITY COLLEGE <input type="checkbox"/>	HOURS PER AIDE <u>80</u>
		HOURS PER AIDE <u>120</u>	

If "yes", please complete the remainder of this schedule. If "no", provide an explanation as to why this training was not necessary.

B. EXPENSES

ALLOCATION OF COSTS (d)

		1	2	3	4
		Facility			
		Drop-outs	Completed	Contract	Total
1	Community College Tuition	\$	\$	\$	\$
2	Books and Supplies				
3	Classroom Wages (a)				
4	Clinical Wages (b)				
5	In-House Trainer Wages (c)				
6	Transportation				
7	Contractual Payments		10,530		10,530
8	Nurse Aide Competency Tests				
9	TOTALS	\$	\$ 10,530	\$	\$ 10,530
10	SUM OF line 9, col. 1 and 2 (e)	\$	10,530		

C. CONTRACTUAL INCOME

In the box below record the amount of income your facility received training aides from other facilities.

\$

D. NUMBER OF AIDES TRAINED

COMPLETED	
1. From this facility	19
2. From other facilities (f)	
DROP-OUTS	
1. From this facility	
2. From other facilities (f)	
TOTAL TRAINED	19

- (a) Include wages paid during the classroom portion of training. Do not include fringe benefits.
(b) Include wages paid during the clinical portion of training. Do not include fringe benefits.
(c) For in-house training programs only. Do not include fringe benefits.
(d) Allocate based on if the aide is from your facility or is being contracted to be trained in your facility. Drop-out costs can only be for costs incurred by your own aides.

- (e) The total amount of Drop-out and Completed Costs for your own aides must agree with Sch. V, line 13, col. 8.
(f) Attach a schedule of the facility names and addresses of those facilities for which you trained aides.
SEE ACCOUNTANTS' COMPILATION REPORT

XIV. SPECIAL SERVICES (Direct Cost) (See instructions.)

1		2		3		4		5		6		7		8	
	Service	Schedule V Line & Column Reference	Staff		Outside Practitioner (other than consultant)		Supplies (Actual or Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)						
			Units of Service	Cost	Units	Cost									
1	Licensed Occupational Therapist	L. 10A, C. 2,3	4957	hrs	\$	140,925	547	\$	35,530	\$	165	5,504	\$	176,620	1
2	Licensed Speech and Language Development Therapist	L. 10A, C. 3	936	hrs		26,617	408		24,503			1,344		51,120	2
3	Licensed Recreational Therapist			hrs											3
4	Licensed Physical Therapist	L. 10A, C. 2,3	6536	hrs		185,724	1,072		69,685		4,283	7,608		259,692	4
5	Physician Care			visits											5
6	Dental Care			visits											6
7	Work Related Program			hrs											7
8	Habilitation			hrs											8
9	Pharmacy	L. 39, C. 2		# of prescrpts							421,441			421,441	9
	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)			hrs											10
11	Academic Education			hrs											11
12	Exceptional Care Program														12
13	Other (specify): Respiratory Therapy	L. 10A, C. 3					80		3,190			80		3,190	13
14	TOTAL				\$	353,266	2,107	\$	132,908	\$	425,889	14,536	\$	912,063	14

NOTE: This schedule should include fees (other than consultant fees) paid to licensed practitioners. Consultant fees should be detailed on Schedule XVIII-B. Salaries of unlicensed practitioners, such as nurse aides, who help with the above activities should not be listed on this schedule.

SEE ACCOUNTANTS' COMPILATION REPORT

STATE OF ILLINOIS

Page 17

Facility Name & ID Number Meadowbrook Manor-Naperville

0041285

Report Period Beginning: 01/01/04

Ending:

12/31/04

XV. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/04

(last day of reporting year)

This report must be completed even if financial statements are attached.

		1 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 602,163	\$ 1,140,934	1
2	Cash-Patient Deposits	46,956	46,956	2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance 110,000)	3,627,415	3,627,415	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	306,015	400,198	6
7	Other Prepaid Expenses	16,739	16,739	7
8	Accounts Receivable (owners or related parties)	454,102	454,102	8
9	Other(specify): <u>Employee Advances</u>	5,256	5,256	9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 5,058,646	\$ 5,691,600	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land		279,600	13
14	Buildings, at Historical Cost		9,976,686	14
15	Leasehold Improvements, at Historical Cost	89,177	89,177	15
16	Equipment, at Historical Cost	393,771	1,357,595	16
17	Accumulated Depreciation (book methods)	(281,214)	(3,345,768)	17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds			21
22	Other Long-Term Assets (specify) <u>Loan Costs</u>		128,380	22
23	Other(specify): <u>Mortgage Escrows</u>		304,694	23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 201,734	\$ 8,790,364	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 5,260,380	\$ 14,481,964	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 387,062	\$ 387,062	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits	46,024	46,024	28
29	Short-Term Notes Payable	3,239,052	3,239,052	29
30	Accrued Salaries Payable	347,687	347,687	30
31	Accrued Taxes Payable (excluding real estate taxes)	24,752	24,752	31
32	Accrued Real Estate Taxes(Sch.IX-B)		242,000	32
33	Accrued Interest Payable		70,289	33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36	<u>See Attached Schedule 17A</u>	818,102	370,978	36
37				37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 4,862,679	\$ 4,727,844	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable			39
40	Mortgage Payable		16,066,155	40
41	Bonds Payable			41
42	Deferred Compensation			42
	Other Long-Term Liabilities(specify):			
43				43
44				44
45	TOTAL Long-Term Liabilities (sum of lines 39 thru 44)	\$	\$ 16,066,155	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 4,862,679	\$ 20,793,999	46
47	TOTAL EQUITY (page 18, line 24)	\$ 397,701	\$ (6,312,035)	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 5,260,380	\$ 14,481,964	48

SEE ACCOUNTANTS' COMPILATION REPORT

*(See instructions.)

Butterfield Health Care II, Inc.
d/b/a Meadowbrook Manor-Naperville
Provider #0041285
12/31/2004

Schedule 17A

XV. Balance Sheet

Current Liabilities

Line 36 - Other Current Liabilities

	Operating	After Consolidation
Resident Credit Balances	370,928	370,928
Accrued Rent	447,124	
Other Deposits	50	50
Total Line 36 Other Current Liabilities	818,102	370,978

See Accountants' Compilation Report

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ 300,429	1
2	Restatements (describe):		2
3			3
4			4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ 300,429	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	97,272	7
8	Aquisitions of Pooled Companies		8
9	Proceeds from Sale of Stock		9
10	Stock Options Exercised		10
11	Contributions and Grants		11
12	Expenditures for Specific Purposes		12
13	Dividends Paid or Other Distributions to Owners	()	13
14	Donated Property, Plant, and Equipment		14
15	Other (describe)		15
16	Other (describe)		16
17	TOTAL Additions (deductions) (sum of lines 7-16)	\$ 97,272	17
	B. Transfers (Itemize):		
18			18
19			19
20			20
21			21
22			22
23	TOTAL Transfers (sum of lines 18-22)	\$	23
24	BALANCE AT END OF YEAR (sum of lines 6 + 17 + 23)	\$ 397,701	24 *

Operating Entity Only

* This must agree with page 17, line 47.

SEE ACCOUNTANTS' COMPILATION REPORT

STATE OF ILLINOIS

Page 19

Facility Name & ID Number Meadowbrook Manor-Naperville

0041285

Report Period Beginning: 01/01/04

Ending:

12/31/04

XVII. INCOME STATEMENT (attach any explanatory footnotes necessary to reconcile this schedule to Schedules V and VI.) All required classifications of revenue and expense must be provided on this form, even if financial statements are attached.

Note: This schedule should show gross revenue and expenses. Do not net revenue against expense.

1			
	Revenue	Amount	
A. Inpatient Care			
1	Gross Revenue -- All Levels of Care	\$ 11,631,633	1
2	Discounts and Allowances for all Levels	(1,923,804)	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 9,707,829	3
B. Ancillary Revenue			
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	1,932,355	6
7	Oxygen	8,684	7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$ 1,941,039	8
C. Other Operating Revenue			
9	Payments for Education		9
10	Other Government Grants		10
11	Nurses Aide Training Reimbursements	1,019	11
12	Gift and Coffee Shop		12
13	Barber and Beauty Care	31,104	13
14	Non-Patient Meals	4,394	14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs	421,441	17
18	Sale of Supplies to Non-Patients		18
19	Laboratory	6,372	19
20	Radiology and X-Ray	11,102	20
21	Other Medical Services	284,126	21
22	Laundry	75	22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 759,633	23
D. Non-Operating Revenue			
24	Contributions		24
25	Interest and Other Investment Income***	13,119	25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 13,119	26
E. Other Revenue (specify):****			
27	Settlement Income (Insurance, Legal, Etc.)		27
28	Wheelchair Rental Revenue	2,227	28
28a			28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$ 2,227	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 12,423,847	30

2			
	Expenses	Amount	
A. Operating Expenses			
31	General Services	1,637,050	31
32	Health Care	5,040,927	32
33	General Administration	2,006,268	33
B. Capital Expense			
34	Ownership	2,790,456	34
C. Ancillary Expense			
35	Special Cost Centers	717,368	35
36	Provider Participation Fee	134,506	36
D. Other Expenses (specify):			
37			37
38			38
39			39
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 12,326,575	40
41	Income before Income Taxes (line 30 minus line 40)**	97,272	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ 97,272	43

* This must agree with page 4, line 45, column 4.

** Does this agree with taxable income (loss) per Federal Income Tax Return? No If not, please attach a reconciliation.
This Entity is a Cash Basis Taxpayer

*** See the instructions. If this total amount has not been offset against interest expense on Schedule V, line 32, please include a detailed explanation. SEE ACCOUNTANTS' COMPILATION REPORT

****Provide a detailed breakdown of "Other Revenue" on an attached sheet.

Facility Name & ID Number Meadowbrook Manor-Naperville

0041285

Report Period Beginning: 01/01/04

Ending: 12/31/04

12/31/04

XVIII. A. STAFFING AND SALARY COSTS (Please report each line separately.)

(This schedule must cover the entire reporting period.)

		1	2**	3	4	
		# of Hrs. Actually Worked	# of Hrs. Paid and Accrued	Reporting Period Total Salaries, Wages	Average Hourly Wage	
1	Director of Nursing	1,968	2,136	\$ 94,530	\$ 44.26	1
2	Assistant Director of Nursing	1,755	1,968	56,562	28.74	2
3	Registered Nurses	35,729	38,910	969,544	24.92	3
4	Licensed Practical Nurses	23,697	24,036	640,866	26.66	4
5	Nurse Aides & Orderlies	125,033	126,198	1,548,730	12.27	5
6	Nurse Aide Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides	7,874	8,208	117,344	14.30	8
9	Activity Director					9
10	Activity Assistants	9,673	10,332	102,307	9.90	10
11	Social Service Workers	5,748	6,364	91,663	14.40	11
12	Dietician					12
13	Food Service Supervisor					13
14	Head Cook					14
15	Cook Helpers/Assistants	39,144	42,058	377,752	8.98	15
16	Dishwashers					16
17	Maintenance Workers	2,817	3,065	43,263	14.12	17
18	Housekeepers	28,458	30,322	224,311	7.40	18
19	Laundry	7,864	8,517	61,197	7.19	19
20	Administrator	2,104	2,560	71,794	28.04	20
21	Assistant Administrator					21
22	Other Administrative					22
23	Office Manager					23
24	Clerical	7,528	8,090	98,180	12.14	24
25	Vocational Instruction					25
26	Academic Instruction					26
27	Medical Director					27
28	Qualified MR Prof. (QMRP)					28
29	Resident Services Coordinator					29
30	Habilitation Aides (DD Homes)					30
31	Medical Records	2,994	3,205	32,007	9.99	31
32	Other Health Care(specify)					32
33	Other(specify) See Att. Sch 20a	19,243	20,679	351,903	17.02	33
34	TOTAL (lines 1 - 33)	321,629	336,648	\$ 4,881,953 *	\$ 14.50	34

* This total must agree with page 4, column 1, line 45.

** See instructions.

B. CONSULTANT SERVICES

		1	2	3	
		Number of Hrs. Paid & Accrued	Total Consultant Cost for Reporting Period	Schedule V Line & Column Reference	
35	Dietary Consultant	297	\$ 11,880	L. 1, C. 3	35
36	Medical Director	Monthly	66,000	L. 9, C. 3	36
37	Medical Records Consultant	30	2,310	L. 10, C. 3	37
38	Nurse Consultant	499	24,060	L. 10, C. 3	38
39	Pharmacist Consultant	Monthly	6,100	L. 10, C. 3	39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant	46	2,484	L. 11, C. 3	44
45	Social Service Consultant	63	3,359	L. 12, C. 3	45
46	Other(specify)				46
47	Quality Assurance	41	2,535	L. 10, C. 3	47
48					48
49	TOTAL (lines 35 - 48)	976	\$ 118,728		49

C. CONTRACT NURSES

		1	2	3	
		Number of Hrs. Paid & Accrued	Total Contract Wages	Schedule V Line & Column Reference	
50	Registered Nurses		\$		50
51	Licensed Practical Nurses		N/A		51
52	Nurse Aides				52
53	TOTAL (lines 50 - 52)		\$		53

SEE ACCOUNTANTS' COMPILATION REPORT

Butterfield Health Care II, Inc.
D/B/A Meadowbrook Manor-Naperville
Provider #0041285
12/31/2004

Schedule 20A

XVIII. Staffing and Salary Costs
Line 32-Other

	# of Hrs. Actually Worked	# of Hrs. Paid and Accrued	Reporting Period Total Salaries, Wages	Average Hourly Wage
Nursing Administration	10,074	10,861	185,131	17.05
Rehabilitation Nurse	1,992	2,392	33,464	13.99
Dialysis	5,150	5,377	100,231	18.64
Ward Clerks	2,027	2,049	33,077	16.14
Total Line 32-Other	19,243	20,679	351,903	17.02

See Accountants' Compilation Report

Facility Name & ID Number

Meadowbrook Manor-Naperville

STATE OF ILLINOIS

0041285

Report Period Beginning:

01/01/04

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Ending: 12/31/04

XIX. SUPPORT SCHEDULES

A. Administrative Salaries

Name	Function	Ownership %	Amount
Ralph Ricana	Administrator	0	\$ 71,794
TOTAL (agree to Schedule V, line 17, col. 1) (List each licensed administrator separately.)			\$ 71,794

B. Administrative - Other

Description	Amount
Management Fees (Eliminated in Column 7)	\$ 540,000
TOTAL (agree to Schedule V, line 17, col. 3) (Attach a copy of any management service agreement)	\$ 540,000

C. Professional Services

Vendor/Payee	Type	Amount
See Schedule 21A		186,864
TOTAL (agree to Schedule V, line 19, column 3) (If total legal fees exceed \$2500 attach copy of invoices.)		\$ 186,864

D. Employee Benefits and Payroll Taxes

Description	Amount
Workers' Compensation Insurance	\$ 131,927
Unemployment Compensation Insurance	53,558
FICA Taxes	367,907
Employee Health Insurance	184,224
Employee Meals	
Illinois Municipal Retirement Fund (IMRF)*	
401k Contribution	13,984
Training and Education	2,579
Other Employee Benefits	30,010
TOTAL (agree to Schedule V, line 22, col.8)	\$ 784,189

E. Schedule of Non-Cash Compensation Paid to Owners or Employees

Description	Line #	Amount
TOTAL		\$

F. Dues, Fees, Subscriptions and Promotions

Description	Amount
IDPH License Fee	\$ 995
Advertising: Employee Recruitment	19,761
Health Care Worker Background Check (Indicate # of checks performed 200)	2,000
Illinois Council on Long Term Care	8,271
Miscellaneous Fees & Permits	1,690
Inspections	2,050
Misc. Dues & Subscriptions	955
Yellow Page Advertising	28,688
Allocation from Management Co.	693
Less: Public Relations Expense ()	
Non-allowable advertising ()	
Yellow page advertising	(28,688)
TOTAL (agree to Sch. V, line 20, col. 8)	\$ 36,415

G. Schedule of Travel and Seminar**

Description	Amount
Out-of-State Travel	\$
In-State Travel	
Seminar Expense	4,726
Entertainment Expense ()	
(agree to Sch. V, line 24, col. 8)	
TOTAL	\$ 4,726

* Attach copy of IMRF notifications

**See instructions.

SEE ACCOUNTANTS' COMPILATION REPORT

Butterfield Health Care II, Inc. d/b/a Meadowbrook Manor-Naperville
 Provider # 0041285
 December 31, 2004

Schedule 21A

XIX. SUPPORT SCHEDULE
C. Professional Services

Vendor/Payee	Type	Amount
Freedman, Anselmo, Lindberg & Rappe	Collections	(341)
Schiff, Hardin & Waite	Legal	55,589
Seyfarth Shaw	Legal	1,125
Ariano, Hardy, Nyuli & Johnson	Legal	314
Laner, Muchin, Dombrow	Legal	733
William E. Lasko II, P.C.	Legal	375
Systematic Management Systems	Billing Consultant	16,500
Altschuler, Melvoin & Glasser LLP	Accountants	7,413
American Express Tax & Business Services	Accountants	1,240
Peterek & Howse LLP	Accountants	2,750
FR&R Consulting	Accountants	2,000
Nursing Resource	Employment Fees	10,000
Absolute Billing	Billing Consultant	3,330
Rehab Management Systems	Billing Consultant	33,275
Richard Peelo & Associates	Billing Consultant	6,000
TALX	Unemployment Consultant	3,758
New England Financial	Employee Benefit Plan Administrator	1,975
Morton Cohen	Pharmacy Cost Consultant	21,959
Health Data Systems , Inc	Computer Services	7,836
Health Outcomes Management , Inc	Computer Services	4,920
MEDI.COM	Computer Services	329
Medifax-EDI, Inc.	Computer Services	577
Precision Repair	Computer Services	2,206
Mutual of Omaha-Medicare	Computer Services	555
World Wide Wencil	Computer Services	1,250
Master Design LLC	Computer Services	99
Bryan Varquez	Computer Services	300
Priority Computer Services	Computer Services	797
Total (agree to Schedule V, line 19, column 3)		186,864
Non-allowable legal expense		(781)
MMN Partners, L.P.		
American Express Tax & Business Service Accountants		1,200
Altschuler, Melvoin and Glasser LLP		13,618
Wildman, Harrold Allen & Dixon	Legal	161
Allocation from Management Company:		
American Express Tax & Business Service Accountants		892
Paychex	Payroll Processing	1,409
Wildman, Harrold Allen & Dixon	Legal	2,332
Total (agree to Schedule V, line 19, column 8)		<u>205,695</u>

See Accountants' Compilation Report

Butterfield Health Care II, Inc. d/b/a Meadowbrook Manor-Naperville
Provider # 0041285
December 31, 2004

Schedule 21B

Month	Description	Amount	Location	Employee	Seminar Title
February-04	Illinois Council on LTC	\$95.00	Lincolnwood, IL	S. McCain	New Enforcement of Subpart S
March-04	Illinois Council on LTC	\$299.00	Lincolnwood, IL	D. Sprinkle, R. Ricana	Optimizing IDPA Reimbursement
April-04	Southwest Seminar Association	\$138.00	Glen Ellyn, IL	V. Goodloe, C. Honey	2004 Illinois Nursing Home Law
July-04	LSN Foundation	\$1,000.00	Lincolnwood, IL	R. Ricana/R. Bundalian	LEAP Program
August-04	Illinois Foundation for Quality Hea	\$60.00	Chicago, IL	R. Ricana/R. Bundalian	Quality Forum Agenda 2004
August-04	Illinois Council on LTC	\$250.00	Lincolnwood, IL	D. Sprinkle, R. Ricana	Optimizing IDPA Reimbursement
September-04	FR&R Consulting	\$250.00	Lincolnwood, IL	L. Templin, R. Terrill	Optimizing IDPA Reimbursement
October-04	Cynthia Chow & Associates	\$85.00	Chicago, IL	K. Karanth	Transforming Past Strategies
October-04	Illinois Council on LTC	\$680.00	Lincolnwood, IL	M. Jabola, K. Murray, R. Ricana R. Bundalian, A. Mendoza, M. Tolentino	Special Session for MDS and Care Plan Coordinators
December-04	UIC School of Public Health	\$35.00	Chicago, IL	R. Ricana	Strategies for Safety & Success in LTC
December-04	Life Services Network Foundatio	\$285.00	Hinsdale, IL	D. Sprinkle, R. Bundalian, A. Mendoza	Essentials of the MDS
Total - allowable travel & seminar		\$3,177.00			
<u>Allocation from Management Co.</u>					
February-04	Fred Pryor Seminars	\$117.00	Chicago, IL	Chris Vangel	How to Read and Understand Financial Statements
February-04	HCRMS	\$47.00	Oak Brook, IL	D. Sprinkle	Risk Management
March-04	IL CPA Foundation	\$155.00	Oak Brook, IL	L. Templin	Long Term Care Conference
March-04	Lorman Education Services	\$131.00	Downers Grove, IL	L. Templin	Family Medical Leave Act and ADA in Illinois
March-04	Joliet Junior College	\$421.00	Joliet, IL	D. Sprinkle/C. Sedmidubsky/C. Vangel	Disney Keys to Excellence
May-04	Lorman Education Services	\$140.00	Downers Grove, IL	L. Templin	Document Retention and Destruction in Illinois
May-04	Lorman Education Services	\$140.00	Oak Brook Terrace, IL	L. Templin	Medicaid and Elder Law Issues in Illinois
June-04	Doctor's Assistance Corporation	\$186.00	Oak Lawn, IL	D. Chew/S. Chavez	Local Illinois Medicare Changes
August-04	Keep Pace	\$155.00	Chicago, IL	K. Gousset	Geriatric Balance and Fall
November-04	Lake County Health Department	\$35.00	Lincolnshire, IL	J. Wolcott	Cultivating Seeds for Change in LTC
December-04	Alzheimers Association	\$22.00	Waukegan, IL	J. Wolcott	Embracing the Montessori Method for Persons w/ Dementia
Total Allocated from Management Company		\$1,549.00	See Accountants' Compilation Report		
Total Travel & Seminar		\$4,726.00			

XIX-H. SUPPORT SCHEDULE - DEFERRED MAINTENANCE COSTS (which have been included in Sch. V, line 6, col. 3).
(See instructions.)

	1 Improvement Type	2 Month & Year Improvement Was Made	3 Total Cost	4 Useful Life	5 6 7 8 9 10 11 12 13 Amount of Expense Amortized Per Year								
					FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
1			\$		\$	\$	\$	\$	\$	\$	\$	\$	\$
2													
3													
4													
5													
6													
7													
8													
9							N/A						
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20	TOTALS		\$		\$	\$	\$	\$	\$	\$	\$	\$	\$

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Meadowbrook Manor-Naperville

STATE OF ILLINOIS

0041285

Report Period Beginning:

01/01/04

Ending:

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12/31/04

XX. GENERAL INFORMATION:

- (1) Are nursing employees (RN,LPN,NA) represented by a union? No
- (2) Are there any dues to nursing home associations included on the cost report? Yes
If YES, give association name and amount. Illinois Council on Long Term Care \$8,271
- (3) Did the nursing home make political contributions or payments to a political organization? No If YES, have these costs been properly adjusted out of the cost report? N/A
- (4) Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year? No If YES, what is the capacity? N/A
- (5) Have you properly capitalized all major repairs and equipment purchases? Yes
What was the average life used for new equipment added during this period? 10 Yrs
- (6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. \$ 56,436 Line 10
- (7) Have all costs reported on this form been determined using accounting procedures consistent with prior reports? Yes If NO, attach a complete explanation.
- (8) Are you presently operating under a sale and leaseback arrangement? No
If YES, give effective date of lease. N/A
- (9) Are you presently operating under a sublease agreement? YES X NO
- (10) Was this home previously operated by a related party (as is defined in the instructions for Schedule VII)? YES NO X If YES, please indicate name of the facility, IDPH license number of this related party and the date the present owners took over N/A
- (11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department of Public Aid during this cost report period. \$ 134,506
This amount is to be recorded on line 42 of Schedule V.
- (12) Are there any salary costs which have been allocated to more than one line on Schedule V for an individual employee? No If YES, attach an explanation of the allocation.

SEE ACCOUNTANTS' COMPILATION REPORT

- (13) Have costs for all supplies and services which are of the type that can be billed to the Department of Public Aid, in addition to the daily rate, been properly classified in the Ancillary Section of Schedule V? Yes
- (14) Is a portion of the building used for any function other than long term care services for the patient census listed on page 2, Section B? N/A For example, is a portion of the building used for rental, a pharmacy, day care, etc.) If YES, attach a schedule which explains how all related costs were allocated to these functions
- (15) Indicate the cost of employee meals that has been reclassified to employee benefit: on Schedule V. \$ 0 Has any meal income been offset against related costs? Yes Indicate the amount. \$ 4,394
- (16) Travel and Transportation
a. Are there costs included for out-of-state travel? No
If YES, attach a complete explanation.
b. Do you have a separate contract with the Department to provide medical transportation for residents? No If YES, please indicate the amount of income earned from such a program during this reporting period. \$ N/A
c. What percent of all travel expense relates to transportation of nurses and patients? Adequate records have been maintained.
d. Have vehicle usage logs been maintained? Adequate records have been maintained.
e. Are all vehicles stored at the nursing home during the night and all other times when not in use? N/A
f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report? N/A
g. Does the facility transport residents to and from day training? No
Indicate the amount of income earned from providing such transportation during this reporting period. \$ N/A
- (17) Has an audit been performed by an independent certified public accounting firm? No
Firm Name: N/A The instructions for the cost report require that a copy of this audit be included with the cost report. Has this copy been attached? N/A If no, please explain. N/A
- (18) Have all costs which do not relate to the provision of long term care been adjusted out of Schedule V? Yes
- (19) If total legal fees are in excess of \$2500, have legal invoices and a summary of services performed been attached to this cost report? Yes
Attach invoices and a summary of services for all architect and appraisal fees.

	After	
	Operating	Consolidation
General Service Cost Center		
1. Cash on hand and in banks	0	0
2. Cash - Patient Deposits	0	0
3. Accounts & Notes Recievable	0	0
4. Supply Inventory	0	0
5. Short-Term Investments	0	0
6. Prepaid Insurance	0	0
7. Other Prepaid Expenses	0	0
8. Accounts Receivable-Owner/Related Party	0	0
9. Other (specify):	0	0
10. Total current assets	0	0
LONG TERM ASSETS		
11. Long-Term Notes Receivable	0	0
12. Long-Term Investments	0	0
13. Land	0	0
14. Buildings, at Historical Cost	0	0
15. Leasehold Improvements, Historical Cost	0	0
16. Equipment, at Historical Cost	0	0
17. Accumulated Depreciation (book methods)	0	0
18. Deferred Charges	0	0
19. Organization & Pre-Operating Costs	0	0
20. Accum Amort - Org/Pre-Op Costs	0	0
21. Restricted Funds	0	0
22. Other Long-Term Assets (specify):	0	0
23. other (specify):	0	0
24. Total Long-Term Assets	0	0
25. Total Assets	0	0
CURRENT LIABILITIES		
26. Accounts Payable	0	0
27. Officer's Accounts Payable	0	0
28. Accounts Payable-Patients Deposits	0	0
29. Short-Term Notes Payable	0	0
30. Accrued Salaries Payable	0	0
31. Accrued Taxes Payable	0	0
32. Accrued Real Estate Taxes	0	0
33. Accrued Interest Payable	0	0
34. Deferred Compensation	0	0
35. Federal and State Income Taxes	0	0
36. Other Current Liabilities (specify):	0	0
37. Other Current Liabilities (specify):	0	0
38. Total Current Liabilities	0	0
LONG TERM LIABILITES		
39.Long-Term Notes Payable	0	0
40.Mortgage Payable	0	0
41.Bonds Payable	0	0
42.Deferred Compensation	0	0
43.Other Long-Term Liabilities (specify):	0	0
44.Other Long-Term Liabilities (specify):	0	0
45.Total Long-Term Liabilities	0	0
46.Total Liabilities	0	0
47.Total Equity	0	0
48.Total Liabilities and Equity	0	0

	Balance per Medicaid Trial Balance
1. Gross Revenue - All levels of Care	0
2. Discounts and Allowances for all Levels	0
Subtotal - Inpatient Care	0
4. Day Care	0
5. Other Care for Outpatients	0
6. Therapy	0
7. Oxygen	0
Subtotal - Ancillary Revenue	0
9. Payments for Education	0
10. Other Governmental Grants	0
11. Nurses Aide Training Reimbursements	0
12. Gift and Coffee Shop	0
13. Barber and Beauty Care	0
14. Non-Patient Meals	0
15. Telephone, Television, and Radio	0
16. Rental of Facility Space	0
17. Sale of Drugs	0
18. Sale of Supplies to Non-Patients	0
19. Laboratory	0
20. Radiology and X-Ray	0
21. Other Medical Services	0
22. Laundry	0
Subtotal - Other Operating Revenue	0
24. Contributions	0
25. Interest and Other Investments Income	0
Subtotal - Non-Operating Revenue	0
27. Other Revenue (specify):	0
28. Other Revenue (specify):	0
Subtotal - Other Revenue	0
30. Total Revenue	0
31. General Services	0
32. Health Care	0
33. General Administration	0
34. Ownership	0
35. Special Cost Centers	0
35. Provider Participation Fee	0
37. Other	0
40. Total Expenses	0
41. Income Before Income Taxes	0
42. Income Taxes	0
43. Net Income or Loss for the Year	0

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